

S.41

An act relating to developing a strategy for evaluating the effectiveness of individual tax expenditures

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. EVALUATION OF TAX EXPENDITURES

(a) The Joint Fiscal Office shall, in consultation with an organization or organizations with experience in the evaluation of tax expenditures, develop a strategy to evaluate the effectiveness of each Vermont tax expenditure in the report required by 32 V.S.A. § 312. The Joint Fiscal Office shall consider the experiences of other states and shall propose a strategy that identifies but is not limited to:

(1) an appropriate schedule and approach for evaluating tax expenditures;

(2) specific metrics for different tax expenditures based on the statutory purposes;

(3) sources of data and economic models, if any, that are matched to the identified metrics; and

(4) the composition and mandate of an appropriate body, if other than the General Assembly, to consider the effectiveness of tax expenditures.

(b) The Joint Fiscal Office shall present its findings and recommendations as well as an example of a Vermont tax expenditure evaluation to the Senate Committee on Finance and the House Committee on Ways and Means by

January 15, 2016. The Joint Fiscal Office shall, in addition to consulting with outside organizations, have the assistance of the Department of Taxes and the Office of Legislative Council.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.